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**Governing Board**  
Gloria Burt  
Albert Chang  
Heidi Gallegos  
Gilbert G. Garcia, Ph.D.  
Judy Nieh

Ronald J. Leon, Ed.D.  
Superintendent

June 15, 2005

The Honorable Board of Supervisors  
County of Los Angeles  
383 Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

*Subject:* REQUEST FOR BOARD TO LEVY TAXES AND TO DIRECT  
THE AUDITOR-CONTROLLER TO PLACE TAXES ON TAX ROLL  
3 VOTES REQUIRED

Dear Supervisors:

On June 6, 2000, the electorate of the Rowland Unified School District (the "District") authorized the District to issue bonds in the aggregate principal amount of \$70 million. Based on this authorization, the Board of Supervisors of the County of Los Angeles (the "County") has previously sold Series A of the Bonds in the name of the District in the aggregate principal amount of \$30,000,000 (the "Series A Bonds"). The governing board of the District has recently adopted its resolution authorizing the issuance of a series of refunding bonds in the aggregate principal amount of not to exceed \$22,500,000, designated the Rowland Unified School District 2005 General Obligation Refunding Bonds (the "Refunding Bonds"), for the purpose of refunding a portion of the Series A Bonds (the "Prior Bonds").

The District formally requests in accordance with Education Code §15250 that the Los Angeles County Board of Supervisors adopt the enclosed resolution to continue to levy the appropriate taxes, and to direct the County Auditor-Controller to maintain these taxes on the tax roll every year according to a debt service schedule to be supplied by the District following the sale of the Refunding Bonds. In addition, the District requests that following the legal defeasance of the Prior Bonds, the County Treasurer-Tax Collector apply taxes collected on the 2004-05 tax roll to the first debt service payment on the Refunding Bonds on September 1, 2005.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

1. Adopt the enclosed resolution.

2. After the Board has taken action, the District requests that the Executive Officer-Clerk of the Board furnish two (2) certified copies of this Resolution to: Jones Hall, A Professional Law Corporation, at 650 California Street, 18th Floor, San Francisco, California 94108, Attn: William Kadi, and send one (1) copy of this Resolution to each of the following:

Los Angeles County Treasurer and Tax Collector  
ATTN: John Wong  
500 W. Temple Street, Room 432  
Los Angeles, California 90012

Los Angeles County Auditor Controller  
ATTN: Sanford Johnson  
500 W. Temple Street, Room 603  
Los Angeles, California 90012

Los Angeles County Counsel  
ATTN: Cammy C. DuPont  
Principal Deputy County Counsel  
500 W. Temple Street, Room 648  
Los, Angeles, California 90012

Thank you for your attention to these requests. If you have questions, please contact me at (626) 854-8308 or at [bwertz@mail.rowland.k12.ca.us](mailto:bwertz@mail.rowland.k12.ca.us).

Sincerely,



ROBERT D. WERTZ, Ed.D.  
Assistant Superintendent  
Administrative Services Division  
ROWLAND UNIFIED SCHOOL DISTRICT

RDW:lc

Enclosure

c: William Kadi  
Nonette Martin

**RESOLUTION OF THE LOS ANGELES COUNTY BOARD OF  
SUPERVISORS AUTHORIZING THE LEVY OF TAXES AND  
DIRECTING THE COUNTY AUDITOR CONTROLLER TO PLACE  
TAXES ON THE TAX ROLL**

WHEREAS, the issuance of \$70,000,000 principal amount of general obligation bonds of the Rowland Unified School District (the "District"), County of Los Angeles (the "County"), State of California, was authorized at an election held within the District on June 6, 2000;

WHEREAS, the District has previously issued its General Obligation Bonds 2000 Election, Series A in the aggregate principal amount of \$30,000,000 (the "Series A Bonds");

WHEREAS, the Board of Education of the District (the "District Board") has determined in Resolution No. R:04-05:11IV.20 to issue and sell General Obligation Refunding Bonds (the "Refunding Bonds") under Articles 9 and 11 of Chapter 3 (commencing with Section 53550) of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law") for the purpose of refunding a portion of the Series A Bonds (the "Prior Bonds");

WHEREAS, the Bond Law authorizes the District Board of Education to issue the Refunding Bonds directly in its own name by way of a resolution; and

WHEREAS, the County Board of Supervisors has been formally requested by the District to levy taxes in an amount sufficient to pay the principal of and interest on the Bonds when due, and to direct the Auditor-Controller of the County to place on its 2005-2006 tax roll, and all subsequent tax rolls, taxes sufficient to fulfill the requirements of the debt service schedule which will be provided to the Auditor-Controller, and, following the legal defeasance of the Prior Bonds upon issuance of the Refunding Bonds, to apply taxes collected on the 2004-2005 tax roll for the Prior Bonds to the first debt service payment on the Refunding Bonds on September 1, 2005;

NOW, THEREFORE, THE LOS ANGELES COUNTY BOARD OF SUPERVISORS DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

**SECTION 1. Levy of Taxes.** That this Board levy taxes in an amount sufficient to pay the principal of and interest on the Refunding Bonds.

**SECTION 2. Preparation of Tax Roll.** That the Auditor-Controller of the County of Los Angeles is hereby directed to place on its 2005-2006 tax roll, and all subsequent tax rolls, taxes in an amount sufficient to pay the principal and interest on the Refunding Bonds, according to a debt service schedule to be provided by the District after the issuance of the Refunding Bonds.

**SECTION 3. Application of Certain Taxes.** The Auditor-Controller of the County of Los Angeles is hereby directed to apply taxes collected on the 2004-2005 tax roll for the Prior Bonds to the first debt service payment on the Refunding Bonds on September 1, 2005.

**SECTION 4. Effective Date.** This Resolution shall take effect immediately upon its passage.

The foregoing resolution was adopted on the \_\_\_\_\_ day of \_\_\_\_\_, 2005, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

VIOLET VARONA-LUKENS, EXECUTIVE  
OFFICER-CLERK OF THE BOARD OF  
SUPERVISORS OF THE COUNTY OF LOS  
ANGELES.

By \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.,  
COUNTY COUNSEL

By:   
Principal Deputy County Counsel

**RESOLUTION NO. R:04-05:11IV.20**

**RESOLUTION OF THE BOARD OF EDUCATION OF THE ROWLAND  
UNIFIED SCHOOL DISTRICT PROVIDING FOR THE ISSUANCE OF  
2005 GENERAL OBLIGATION REFUNDING BONDS IN THE  
MAXIMUM PRINCIPAL AMOUNT OF \$22,500,000 IN EXCHANGE FOR  
GENERAL OBLIGATION BONDS, 2000 ELECTION, SERIES A, AND  
AUTHORIZING RELATED DOCUMENTS AND ACTIONS**

- WHEREAS, a special bond election was duly and regularly held in the Rowland Unified School District (the "District") on June 6, 2000, for the purpose of submitting to the qualified electors of the District the question whether bonds should be issued in the aggregate principal amount of \$70,000,000 (the "Bonds"), and more than 2/3 of the votes cast at said election were in favor of the issuance of the Bonds; and
- WHEREAS, on August 29, 2000, the Board of Supervisors of the County adopted its Resolution (the "2000 Bond Resolution") authorizing the issuance of a series of Bonds designated the "Rowland Unified School District General Obligation Bonds, 2000 Election, Series A" in the aggregate principal amount of \$30,000,000; and
- WHEREAS, under the 2000 Bond Resolution, the District has the right to call the 2000 Bonds maturing on or after September 1, 2011 (the "Callable 2000 Bonds") for redemption on any interest payment date on or after September 1, 2010 (the "Optional Redemption Rights"); and
- WHEREAS, the District has determined that due to prevailing low interest rates in the municipal bond market, the Optional Redemption Rights have a significant value because such rights permit the Callable 2000 Bonds to be redeemed at a redemption price which is substantially below the price at which the Callable 2000 Bonds could otherwise be sold in the open market; and
- WHEREAS, in order to realize the value inherent in the Optional Redemption Rights, the District has requested the Golden West Schools Financing Authority (the "Authority") to purchase the Optional Redemption Rights under an Optional Redemption Rights Purchase and Bond Exchange Agreement dated as of July 1, 2005 (the "Bond Exchange Agreement"), under which the Authority agrees to exercise the Optional Redemption Rights and thereby acquire the Callable 2000 Bonds through redemption, and to tender the Callable 2000 Bonds to the District in exchange for refunding bonds to be issued by the District as hereinafter provided; and
- WHEREAS, the Board of Education of the District is authorized to issue such refunding bonds in exchange for the Callable 2000 Bonds under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53550 of said Code (the "Refunding Bond Law"), in particular the provisions of Section 53555 thereof; and

WHEREAS, to that end, the Board of Education has determined at this time to issue its Rowland Unified School District 2005 General Obligation Refunding Bonds, under the Refunding Bond Law in the aggregate principal amount of not to exceed \$22,500,000 (the "Refunding Bonds");

NOW, THEREFORE, BE IT RESOLVED, by the Board of Education of the Rowland Unified School District the following:

## ARTICLE I

### DEFINITIONS; AUTHORITY

SECTION 1.01. *Definitions.* The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Resolution, have the meanings given to them below, unless the context clearly requires some other meaning.

"Authority" means the Golden West Schools Financing Authority, a joint powers authority organized and existing under the laws of the State of California.

"Authority Bonds" means the bonds issued by the Authority on the Closing Date in accordance with the Bond Exchange Agreement, the proceeds of which will be applied for the purpose, among others, of exercising the Optional Redemption Rights with respect to the Callable 2000 Bonds.

"Board" means the Board of Education of the District.

"Bond Counsel" means (a) the firm of Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax exempt status of securities issued by public entities.

"Bond Exchange Agreement" means the Optional Redemption Rights Purchase and Bond Exchange Agreement dated as of July 1, 2005, between the District and the Authority, under which the District is obligated to issue the Refunding Bonds in exchange for the Callable 2000 Bonds.

"Bond Year" means the one-year period beginning on September 1 in each year and ending on the next succeeding August 31; except that the first Bond Year begins on the Closing Date and ends on August 31, 2006.

"Business Day" means a day other than a Saturday, Sunday or legal holiday, on which banking institutions are not closed in the State of California, or in any state in which the Principal Office of the Paying Agent is located.

"Callable 2000 Bonds" means the Rowland Unified School District General Obligation Bonds, 2000 Election, Series A maturing on or after September 1, 2011.

"Closing Date" means the date upon which there is a physical delivery of the Refunding Bonds to the Authority.

"County" means the County of Los Angeles, a political subdivision of the State of California, duly organized and existing under the Constitution and laws of the State of California.

"Debt Service Fund" means the account established and held by the Treasurer-Tax Collector of the County under Section 4.02.

"District" means the Rowland Unified School District, a unified school district organized under the Constitution and laws of the State of California, and any successor thereto.

"District Representative" means the Superintendent or the Assistant Superintendent, Administrative Services of the District, or any other duly appointed officer of the District authorized by resolution of the Board of Education to act as a representative of the District hereunder.

"Federal Securities" means United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States of America.

"Information Services" means Financial Information, Incorporated's "Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Mergent/FIS, Inc., 5250 77 Center Drive, Suite 150, Charlotte, North Carolina 28217, Attention: Municipal News Report; and Kenny S&P, 55 Water Street, 45th Floor, New York, New York 10041, Attention: Notification Department; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds as the District may designate in a Written Request of the District delivered to the Paying Agent.

"Interest Payment Date" means September 1, 2005, and the first day of each succeeding February and August.

"2000 Bond Resolution" means the resolution adopted by the Board of Supervisors of the County on August 29, 2000, authorizing the issuance of the 2000 Bonds.

"2000 Bonds" means the Rowland Unified School District General Obligation Bonds, 2000 Election, Series A issued under the 2000 Bond Resolution.

"2000 Paying Agent" means U.S. Bank National Association, as paying agent for the 2000 Bonds.

"Optional Redemption Rights" means the right of the District under the 2000 Bond Resolution to call the Callable 2000 Bonds maturing on or after September 1, 2011, for redemption on any interest payment date on or after September 1, 2010.

"Outstanding," when used as of any particular time with reference to Refunding Bonds, means all Refunding Bonds except: (a) Refunding Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation; (b) Refunding Bonds paid or deemed to have been paid within the meaning of Section 9.02; and (c) Refunding Bonds in lieu of or in substitution for which other Refunding Bonds shall have been authorized, executed, issued and delivered by the District under this Resolution.

"Owner", whenever used with respect to a Refunding Bond, means the person in whose name the ownership of such Refunding Bond is registered on the Registration Books.

"Paying Agent" means the Paying Agent appointed by the District and acting as paying agent, registrar and authenticating agent for the Refunding Bonds, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 6.01.

"Principal Office" means the office or offices of the Paying Agent for the payment of the Refunding Bonds and the administration of its duties hereunder, as such office or offices shall be identified in a written notice filed with the District by the Paying Agent.

"Record Date" means the 15<sup>th</sup> day of the month preceding an Interest Payment Date, whether or not such day is a business day.

"Refunding Bond Law" means Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, as is in effect on the date of adoption hereof and as amended hereafter.

"Refunding Bonds" means the not to exceed \$22,500,000 aggregate principal amount of Rowland Unified School District (Los Angeles County, California) 2005 General Obligation Refunding Bonds, authorized and at any time Outstanding under this Resolution.

"Registration Books" means the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the Refunding Bonds under Section 2.08.

"Resolution" means this resolution authorizing the issuance of the Refunding Bonds including all amendments hereto and supplements hereof which are duly adopted by the Board from time to time in accordance herewith.

"Securities Depositories" means The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax-(516) 227-4039 or 4190; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Written Request of the District delivered to the Paying Agent.

"Supplemental Resolution" means any resolution supplemental to or amendatory of this Resolution, adopted by the District in accordance with Article VIII.

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

"Underwriter" means George K. Baum & Co., as the original purchaser of the Authority Bonds.

"Written Request of the District" means an instrument in writing signed by a District Representative or by any other officer of the District duly authorized to act on behalf of the District under a written certificate of a District Representative.



SECTION 1.02. *Interpretation.*

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

SECTION 1.03. *Authority for this Resolution; Findings.* This Resolution is entered into under the provisions of the Refunding Bond Law. The Board hereby certifies that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of the Refunding Bonds do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount of the Refunding Bonds, together with all other indebtedness of the District, does not exceed any limit prescribed by any laws of the State of California.

## ARTICLE II

### TERMS OF REFUNDING BONDS

SECTION 2.01. *Authorization.* The Board hereby authorizes the issuance of the Refunding Bonds in the aggregate principal amount of not to exceed \$22,500,000, subject to the terms of the Refunding Bond Law and this Resolution, for the purpose of providing bonds to be exchanged for the Callable 2000 Bonds as provided in the Bond Exchange Agreement and in Section 53555 of the Refunding Bond Law. This Resolution constitutes a continuing agreement between the District and the Owners of all of the Outstanding Refunding Bonds to secure the full and final payment of principal of and interest and premium, if any, on the Refunding Bonds, subject to the covenants, agreements, provisions and conditions herein contained. The Refunding Bonds are designated the "Rowland Unified School District (Los Angeles County, California) 2005 General Obligation Refunding Bonds".

SECTION 2.02. *Terms of Refunding Bonds.*

(a) Form; Numbering. The Refunding Bonds shall be issued as fully registered Bonds, without coupons, in the denomination of \$5,000 each or any integral multiple thereof, but in an amount not to exceed the aggregate principal amount of Refunding Bonds maturing in the year of maturity of the Refunding Bond for which the denomination is specified. Refunding Bonds shall be lettered and numbered as the Paying Agent prescribes.

(b) Date of Refunding Bonds. The Refunding Bonds shall be dated as of the Closing Date.

(c) Maturities; Interest. The Refunding Bonds shall mature August 1 in each of the years and principal amounts as set forth in Appendix A to the Bond Exchange Agreement. As

set forth in Section 53555 of the Refunding Bond Law, the principal amount of the Refunding Bonds may not exceed the principal amount of the Callable 2000 Bonds plus the costs of issuing the Refunding Bonds.

Each Refunding Bond shall bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it shall bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is authenticated on or before the first Record Date, in which event it shall bear interest from the dated date of the Refunding Bonds; *provided, however*, that if at the time of authentication of a Refunding Bond, interest is in default thereon, such Refunding Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(e) Payment. Interest on the Refunding Bonds (including the final interest payment upon maturity or redemption) is payable by check or draft of the Paying Agent mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of the Refunding Bonds, which written request is on file with the Paying Agent as of any Record Date, interest on such Refunding Bonds shall be paid on the succeeding Interest Payment Date to such account as shall be specified in such written request. Principal of and premium (if any) on the Refunding Bonds are payable in lawful money of the United States of America upon presentation and surrender at the Principal Office of the Paying Agent.

#### SECTION 2.03. *Redemption*.

(a) Redemption Dates and Prices. The Refunding Bonds are subject to redemption on the dates on which the Authority Bonds are subject to redemption, at the respective redemption prices set forth in the Bond Exchange Agreement.

(b) Selection of Refunding Bonds for Redemption. Whenever less than all of the Outstanding Refunding Bonds of any one maturity are designated for redemption, the Paying Agent shall select the Outstanding Refunding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Refunding Bond will be deemed to consist of individual Refunding Bonds of \$5,000 denominations, which may be separately redeemed.

(c) Redemption Procedure. The Paying Agent shall cause notice of any redemption to be mailed, first class mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption, to (i) one or more of the Information Services, and (ii) to the respective Owners of any Refunding Bonds designated for redemption, at their addresses appearing on the Registration Books. Such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice shall not affect the validity of the proceedings for the redemption of such Refunding Bonds. In addition, the Paying Agent shall give notice of redemption by telecopy or certified, registered or overnight mail to each of the Securities Depositories at least 2 days prior to such mailing to the Refunding Bond Owners.

Such notice must (i) state the redemption date and the redemption price, (ii) if less than all of the then Outstanding Refunding Bonds are to be called for redemption, designate the serial numbers of the Refunding Bonds to be redeemed by giving the individual number of each

Refunding Bond or by stating that all Refunding Bonds between two stated numbers, both inclusive, or by stating that all of the Refunding Bonds of one or more maturities have been called for redemption, (iii) require that such Refunding Bonds be then surrendered at the Principal Office of the Paying Agent for redemption at the said redemption price, and (iv) state that further interest on such Refunding Bonds will not accrue from and after the redemption date.

Upon surrender of Refunding Bonds redeemed in part only, the District shall execute and the Paying Agent shall authenticate and deliver to the Owner, at the expense of the District, a new Refunding Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Refunding Bond or Bonds.

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Refunding Bonds so called for redemption have been duly provided, such Refunding Bonds so called will cease to be entitled to any benefit under this Resolution other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice. The Paying Agent shall cancel all of the Refunding Bonds, and submit a certificate of cancellation to the District.

SECTION 2.04. *Form of Refunding Bonds.* The Refunding Bonds, the form of the Paying Agent's certificate of authentication and registration and the form of assignment to appear thereon shall be substantially in the forms, respectively, with necessary or appropriate variations, omissions and insertions; as permitted or required by this Resolution, as set forth in Appendix A hereto.

SECTION 2.05. *Execution of Refunding Bonds.* The Refunding Bonds shall be signed by the facsimile signature of the President of the Board and shall be attested by the facsimile signature of the Clerk of the Board, and the seal of the Board shall be reproduced thereon. No Refunding Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Refunding Bond is signed by the Paying Agent as authenticating agent.

The Refunding Bonds shall be in substantially the form attached hereto as Appendix A and incorporated herein by this reference, allowing those officials executing the Refunding Bonds to make the insertions and deletions necessary to conform the Refunding Bonds to this Resolution.

Only those Refunding Bonds bearing a certificate of authentication and registration in the form set forth in Appendix A, executed and dated by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent shall be conclusive evidence that the Refunding Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Resolution.

SECTION 2.06. *Transfer of Refunding Bonds.* Any Refunding Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Refunding Bond for cancellation at the Principal Office at the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The District may charge a reasonable sum for each new Refunding Bond issued upon any transfer.

Whenever any Refunding Bond is surrendered for transfer, the District shall execute and the Paying Agent shall authenticate and deliver a new Refunding Bond or Bonds, for like aggregate principal amount. No transfers of Refunding Bonds may be made (a) 15 days prior to the date established by the Paying Agent for selection of Refunding Bonds for redemption or (b) with respect to a Refunding Bond which has been selected for redemption.

SECTION 2.07. *Exchange of Refunding Bonds.* Refunding Bonds may be exchanged at the Principal Office of the Paying Agent for a like aggregate principal amount of Refunding Bonds of authorized denominations and of the same maturity. The District may charge a reasonable sum for each new Refunding Bond issued upon any exchange (except in the case of any exchange of temporary Refunding Bonds for definitive Refunding Bonds). No exchanges of Refunding Bonds shall be required to be made (a) the 15 days prior to the date established by the Paying Agent for selection of Refunding Bonds for redemption or (b) with respect to a Refunding Bond after such Refunding Bond has been selected for redemption.

SECTION 2.08. *Registration Books.* The Paying Agent shall keep or cause to be kept sufficient books for the registration and transfer of the Refunding Bonds, which shall at all times be open to inspection by the District upon reasonable notice; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Refunding Bonds as herein before provided.

SECTION 2.09. *Refunding Bonds Mutilated, Lost, Destroyed or Stolen.* If any Refunding Bond is mutilated the District, at the expense of the Owner of said Refunding Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Refunding Bond of like maturity and principal amount in exchange and substitution for the Refunding Bond so mutilated, but only upon surrender to the Paying Agent of the Refunding Bond so mutilated. Every mutilated Refunding Bond so surrendered to the Paying Agent shall be canceled by it and delivered to, or upon the order of, the District. If any Refunding Bond are lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the District and, if such evidence be satisfactory to the District and indemnity satisfactory to it shall be given, the District, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Refunding Bond of like maturity and principal amount in lieu of and in substitution for the Refunding Bond so lost, destroyed or stolen. The District may require payment of a sum not exceeding the actual cost of preparing each new Refunding Bond issued under this Section and of the expenses which may be incurred by the District and the Paying Agent in the premises. Any Refunding Bond issued under the provisions of this Section 2.09 in lieu of any Refunding Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Refunding Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Resolution with all other Refunding Bonds issued under this Resolution.

Notwithstanding any other provision of this Section 2.09, in lieu of delivering a new Refunding Bond for which principal has or is about to become due for a Refunding Bond which has been mutilated, lost, destroyed or stolen, the Paying Agent may make payment of such Refunding Bond in accordance with its terms.

## ARTICLE III

### SALE OF OPTIONAL REDEMPTION RIGHTS; DELIVERY OF REFUNDING BONDS

SECTION 3.01. *Sale of Optional Redemption Rights; Approval of Bond Exchange Agreement.* The Board hereby approves the sale of the Optional Redemption Rights to the Authority under and in accordance with the Bond Exchange Agreement. The Board hereby approves the Bond Exchange Agreement in substantially the form on file with the Superintendent, together with any additions thereto or changes therein deemed necessary or advisable by the Superintendent of the District or his authorized designee. The Board hereby authorizes and directs a District Representative to execute and deliver the Bond Exchange Agreement in the name and on behalf of the District. The purchase price paid by the Authority for the Optional Redemption Rights shall be applied as set forth in the Bond Exchange Agreement and in accordance with the applicable requirements of the Tax Code.

SECTION 3.02. *Delivery of Refunding Bonds; Cancellation of Callable 2000 Bonds.* In accordance with the Bond Exchange Agreement, on the Closing Date the Refunding Bonds shall be delivered to the trustee for the Authority Bonds, in exchange for the Callable 2000 Bonds. The ownership of the Refunding Bonds shall be registered in the name of the trustee for the Authority Bonds which shall be delivered to the District for cancellation upon the redemption thereof on September 1, 2010. Upon the tender of the Callable 2000 Bonds to the District when they are redeemed, the District shall cancel the Callable 2000 Bonds in accordance with the 2000 Bond Resolution.

SECTION 3.03. *Official Statement.* The District authorizes a District Representative to review and approve the sections of the preliminary Official Statement relating to the Authority Bonds which describe the District and the Refunding Bonds. A District Representative is hereby authorized to execute an appropriate certificate stating the District's determination that said sections of the preliminary Official Statement have been deemed nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, except for permitted omissions. The District hereby authorizes the distribution of the Official Statement by the Underwriter.

SECTION 3.04. *Engagement of Professional Services.* The District hereby approves the engagement of Jones Hall, A Professional Law Corporation, to act as bond counsel and disclosure counsel to the District in connection with the issuance of the Refunding Bonds. The Assistant Superintendent, Administrative Services is hereby authorized and directed to execute the agreements with said firm in the form on file with the Assistant Superintendent, Administrative Services.

SECTION 3.05 *Continuing Disclosure.* The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, which shall be executed by a District Representative and delivered on the Closing Date. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered a default by the District hereunder or under the Refunding Bonds; however, any Participating Underwriter (as such term is defined in the Continuing Disclosure Certificate) or any holder or beneficial owner of the Refunding Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

SECTION 3.06. *Official Actions.* The President of the Board, the Superintendent, the Assistant Superintendent, Administrative Services, the Clerk of the Board and any and all other officers of the District are each authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf if such officer is absent or unavailable.

## ARTICLE IV

### SECURITY FOR THE REFUNDING BONDS

SECTION 4.01. *Security for the Refunding Bonds.* The Refunding Bonds are general obligations of the District payable from the levy of ad valorem taxes upon all property within the District subject to taxation by the District, without limitation as to rate or amount, for the payment of the Refunding Bonds and the interest and redemption premium (if any) thereon. The District hereby directs the County to levy on all the taxable property in the District, in addition to all other taxes, a continuing direct ad valorem tax annually during the period the Refunding Bonds are Outstanding in an amount sufficient to pay the principal of and interest and redemption premium (if any) on the Refunding Bonds when due, which moneys when collected will be placed in the Debt Service Fund.

The principal of and interest and redemption premium (if any) on Refunding Bonds do not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents or employees thereof, and neither the County, the State of California, any of its political subdivisions nor any of the officers, agents or employees thereof shall be liable thereon. In no event are the principal of and interest and redemption premium (if any) on Refunding Bonds payable out of any funds or properties of the District other than ad valorem taxes levied upon all taxable property in the District.

SECTION 4.02. *Debt Service Fund.* The District hereby directs the Treasurer and Tax Collector of the County to establish, hold and maintain a fund to be known as the "2005 Rowland USD 2005 General Obligation Refunding Bond Debt Service Fund", to be maintained by the County as a separate account, distinct from all other funds of the County and the District. All taxes levied by the County, as directed by the District herein, for the payment of the principal of and interest and premium (if any) on the Refunding Bonds in accordance with Section 4.01 shall be deposited in the Debt Service Fund by the County promptly upon apportionment of said levy. The District hereby irrevocably pledges the Debt Service Fund for the payment of the principal of and interest on the Refunding Bonds when and as the same become due. The County shall transfer amounts in the Debt Service Fund to the Paying Agent, to the extent necessary to pay the principal of and interest on the Refunding Bonds as the same become due and payable.

If, after payment in full of the Refunding Bonds, any amounts remain on deposit in the Debt Service Fund, the County shall transfer such amounts to the general fund of the District, upon the Written Request of the District filed with the County, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

SECTION 4.04. *Investments.* All moneys held in any of the funds or accounts established with the County hereunder shall be invested in accordance with the investment policies of the County, as such policies exist at the time of investment. Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the fund or account from which such investment was made, and shall be expended for the purposes thereof. The District covenants that all investments of amounts deposited in any fund or account created by or under this Resolution, or otherwise containing proceeds of the Refunding Bonds, shall be acquired and disposed of at the Fair Market Value thereof. For purposes of this Section 4.04, the term "Fair Market Value" shall mean, with respect to any investment, the price at which a willing buyer would purchase such investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as described above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate that is acquired in accordance with applicable regulations under the Tax Code, or (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

## **ARTICLE V**

### **OTHER COVENANTS OF THE DISTRICT; SECURITY FOR THE REFUNDING BONDS**

SECTION 5.01. *Punctual Payment.* The District will punctually pay, or cause to be paid, the principal of and interest on the Refunding Bonds, in strict conformity with the terms of the Refunding Bonds and of this Resolution, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Resolution and of the Refunding Bonds. Nothing herein prevents the District from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law.

SECTION 5.02. *Extension of Time for Payment.* In order to prevent any accumulation of claims for interest after maturity, the District will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Refunding Bonds and will not, directly or indirectly, approve any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest is extended or funded, whether or not with the consent of the District, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Resolution, except subject to the prior payment in full of the principal of all of the Refunding Bonds then Outstanding and of all claims for interest which shall not have so extended or funded.

SECTION 5.03. *Books and Accounts; Financial Statement.* The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District in which complete and correct entries shall be made of all transactions relating to the expenditure of the proceeds of the Refunding Bonds. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Paying Agent and the Owners of not less than 10% in aggregate principal amount of the Refunding Bonds then Outstanding, or their representatives authorized in writing.

SECTION 5.04. *Protection of Security and Rights of Refunding Bond Owners.* The District will preserve and protect the security of the Refunding Bonds and the rights of the Refunding Bond Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Refunding Bonds by the District, the Refunding Bonds shall be incontestable by the District.

SECTION 5.05. *Tax Covenants.*

(a) Private Activity Bond Limitation. The District shall assure that the proceeds of the Refunding Bonds are not so used as to cause the Authority Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Authority Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The District shall not take, or permit or suffer to be taken by the Paying Agent or the County or otherwise, any action with respect to the proceeds of the Refunding Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Authority Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Tax Code.

(d) Maintenance of Tax-Exemption. The District shall take all actions necessary to assure the exclusion of interest on the Refunding Bonds from the gross income of the Owners of the Authority Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

(e) Rebate Requirement. The District shall take any and all actions necessary to assure compliance with Section 148(f) of the Tax Code, relating to the rebate of excess investment earnings with respect to the Authority Bonds, if any, to the federal government, to the extent such Section is applicable to the Authority Bonds. The District shall pay all excess investment earnings determined to be due and payable under Section 148(f) of the Tax Code, from any source of legally available funds of the District, and the Authority shall have no liability for such payment.

SECTION 5.06. *Further Assurances.* The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owners of the Refunding Bonds of the rights and benefits provided in this Resolution.



## ARTICLE VI

### THE PAYING AGENT

SECTION 6.01. *Appointment of Paying Agent.* U.S. Bank National Association is hereby appointed to act as Paying Agent for the Refunding Bonds and, in such capacity, shall also act as registration agent and authentication agent for the Refunding Bonds. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the Refunding Bonds, no implied covenants or obligations shall be read into this Resolution against the Paying Agent. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing and delivering to the District a certificate to that effect.

The District may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company doing business and having an office in the State of California, having a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, under law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 6.01 the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent may at any time resign by giving written notice to the District and the Refunding Bond Owners of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a successor Paying Agent shall become effective upon acceptance of appointment by the successor Paying Agent.

SECTION 6.02. *Liability of Paying Agent.* The recitals of facts, covenants and agreements herein and in the Refunding Bonds contained shall be taken as statements, covenants and agreements of the District, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Resolution or of the Refunding Bonds, nor shall incur any responsibility in respect thereof, other than as set forth in this Resolution. The Paying Agent is not liable in connection with the performance of its duties hereunder, except for its own negligence or willful default.

In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Resolution.

The Paying Agent is not liable for any error of judgment made in good faith by a responsible officer of its corporate trust department in the absence of the negligence of the Paying Agent.

No provision of this Resolution requires the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Paying Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

SECTION 6.03. *Notice to Paying Agent.* The Paying Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Paying Agent may consult with counsel, who may be counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Resolution the Paying Agent deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Paying Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Paying Agent for any action taken or suffered under the provisions of this Resolution upon the faith thereof, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

SECTION 6.04. *Compensation; Indemnification.* The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution. The District will indemnify and save the Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

## **ARTICLE VII**

### **REMEDIES OF REFUNDING BOND OWNERS**

SECTION 7.01. *Remedies of Refunding Bond Owners.* Any Refunding Bond Owner has the right, for the equal benefit and protection of all Refunding Bond Owners similarly situated:

- (a) by mandamus, suit, action or proceeding, to compel the District and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Resolution and in the Refunding Bonds, and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it;
- (b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Refunding Bond Owners' rights;  
or

- (c) upon the happening and continuation of any default by the District hereunder or under the Refunding Bonds, by suit, action or proceeding in any court of competent jurisdiction, to require the District and its members and employees to account as if it and they were the trustees of an express trust.

SECTION 7.02. *Remedies Not Exclusive.* No remedy herein conferred upon the Owners of Refunding Bonds shall be exclusive of any other remedy and that each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereafter conferred on the Refunding Bond Owners.

## ARTICLE VIII

### AMENDMENT OF THIS RESOLUTION

SECTION 8.01. *Amendments Effective Without Consent of the Owners.* For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the District may be adopted, which, without the requirement of consent of the Owners of the Refunding Bonds, shall be fully effective in accordance with its terms:

- (a) To add to the covenants and agreements of the District in this Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;
- (b) To confirm, as further assurance, any pledge under, and to subject to any lien or pledge created or to be created by, this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;
- (c) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Resolution, which in any event does not materially adversely affect the interests of the Refunding Bond Owners, in the opinion of Bond Counsel filed with the District; or
- (d) To make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Authority Bonds.

SECTION 8.02. *Amendments Effective With Consent of the Owners.* Any modification or amendment of this Resolution and of the rights and obligations of the District and of the Owners of the Refunding Bonds, in any particular, may be made by a Supplemental Resolution, with the written consent of the Owners of a majority in aggregate principal amount of the Refunding Bonds Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of maturity of the principal of any Outstanding Refunding Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, or shall reduce the percentage of Refunding Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change any of the provisions in Section 7.01 relating to Events of Default, or shall reduce the amount of moneys pledged for the repayment of the Refunding Bonds without the consent

of all the Owners of such Refunding Bonds, or shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto.

## ARTICLE IX

### MISCELLANEOUS

SECTION 9.01. *Benefits of Resolution Limited to Parties.* Nothing in this Resolution, expressed or implied, is intended to give to any person other than the District, the County, the Paying Agent and the Owners of the Refunding Bonds, any right, remedy, claim under or by reason of this Resolution. Any covenants, stipulations, promises or agreements in this Resolution contained by and on behalf of the District shall be for the sole and exclusive benefit of the Owners of the Refunding Bonds.

#### SECTION 9.02. *Defeasance.*

(a) Discharge of Resolution. Refunding Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

- (i) by paying or causing to be paid the principal or redemption price of and interest on such Refunding Bonds, as and when the same become due and payable;
- (ii) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem such Refunding Bonds; or
- (iii) by delivering such Refunding Bonds to the Paying Agent for cancellation.

If the District pays all Outstanding Refunding Bonds and also pays or causes to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (evidenced by a certificate of a District Representative filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and this Resolution), and notwithstanding that any Refunding Bonds have not been surrendered for payment, this Resolution and other assets made under this Resolution and all covenants, agreements and other obligations of the District under this Resolution shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 9.02(b). In such event, upon request of the District, the Paying Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it under this Resolution which are not required for the payment or redemption of Refunding Bonds not theretofore surrendered for such payment or redemption.

(b) Discharge of Liability on Refunding Bonds. Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem any Outstanding Refunding Bond (whether upon or prior to its maturity or the redemption date of such Refunding Bond), provided that, if such Refunding Bond is to be

redeemed prior to maturity, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, then all liability of the District in respect of such Refunding Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest on such Refunding Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of Section 9.02(d) shall apply in all events.

The District may at any time surrender to the Paying Agent for cancellation by it any Refunding Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such Refunding Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) Deposit of Money or Securities with Paying Agent. Whenever in this Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any Refunding Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent in the funds and accounts established under this Resolution and shall be:

- (i) lawful money of the United States of America in an amount equal to the principal amount of such Refunding Bonds and all unpaid interest thereon to maturity, except that, in the case of Refunding Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or redemption price of such Refunding Bonds and all unpaid interest thereon to the redemption date; or
- (ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Refunding Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Refunding Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption has been given as provided in Section 2.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice.

(d) Payment of Refunding Bonds After Discharge of Resolution. Notwithstanding any provisions of this Resolution, any moneys held by the Paying Agent in trust for the payment of the principal or redemption price of, or interest on, any Refunding Bonds and remaining unclaimed for 2 years after the principal of all of the Refunding Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Resolution), if such moneys were so held at such date, or 2 years after the date of deposit of such moneys if deposited after said date when all of the Refunding Bonds became due and payable, shall, upon request of the District, be repaid to the District free from the trusts created by this Resolution, and all liability of the Paying Agent with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the District as aforesaid, the Paying Agent may (at the cost of the District) first mail to the Owners of all

Refunding Bonds which have not been paid at the addresses shown on the Registration Books a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the Refunding Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof.

SECTION 9.03. *Execution of Documents and Proof of Ownership by Refunding Bond Owners.* Any request, declaration or other instrument which this Resolution may require or permit to be executed by Refunding Bond Owners may be in one or more instruments of similar tenor, and shall be executed by Refunding Bond Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Refunding Bond Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Refunding Bonds and the amount, maturity, number and date of holding the same shall be proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Refunding Bond shall bind all future Owners of such Refunding Bond in respect of anything done or suffered to be done by the District or the Paying Agent in good faith and in accordance therewith.

SECTION 9.04. *Waiver of Personal Liability.* No Board member, officer, agent or employee of the District is individually or personally liable for the payment of the principal of or interest on the Refunding Bonds. Nothing herein contained relieves any such Board member, officer, agent or employee from the performance of any official duty provided by law.

SECTION 9.05. *Limited Duties of County; Indemnification.* The County (including its officers, agents and employees) shall undertake only those duties of the County under this Resolution which are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the Refunding Bonds, no implied covenants or obligations shall be read into this Resolution against the County (including its officers, agents and employees).

The District further agrees to indemnify, defend and save the County (including its officers, agents and employees) harmless against any and all liabilities, costs, expenses, damages and claims which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

SECTION 9.06. *Destruction of Canceled Refunding Bonds.* Whenever in this Resolution provision is made for the surrender to the District of any Refunding Bonds which have been paid or canceled under the provisions of this Resolution, a certificate of destruction duly executed by the Paying Agent shall be deemed to be the equivalent of the surrender of such canceled Refunding Bonds and the District shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Refunding Bonds therein referred to.

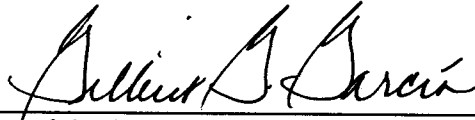
SECTION 9.07. *Partial Invalidity.* If any section, paragraph, sentence, clause or phrase of this Resolution shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Resolution. The District hereby declares that it would have adopted this Resolution and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Refunding Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Resolution may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the District is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the District hereunder shall be assumed by and vest in the Assistant Superintendent, Business Services of the District in trust for the benefit of the Refunding Bond Owners.

SECTION 9.08. *Effective Date of Resolution.* This Resolution shall take effect from and after the date of its passage and adoption.

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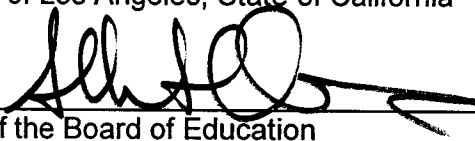
PASSED AND ADOPTED by the Board of Education of the Rowland Unified School District the 5th day of May, 2005.

Signed:



\_\_\_\_\_  
President of the Board of Education  
Rowland Unified School District  
County of Los Angeles, State of California

Signed:



\_\_\_\_\_  
Clerk of the Board of Education  
Rowland Unified School District  
County of Los Angeles, State of California

## APPENDIX A

### FORM OF REFUNDING BOND

NO. \_\_\_\_\_

\$ \_\_\_\_\_

## ROWLAND UNIFIED SCHOOL DISTRICT

(Los Angeles County, California)

### 2005 GENERAL OBLIGATION REFUNDING BOND

INTEREST RATE:  
\_\_\_\_\_ % per annum

MATURITY DATE:  
September 1, \_\_\_\_\_

DATED AS OF:  
\_\_\_\_\_, 2005

CUSIP

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The Rowland Unified School District (the "District"), located in Los Angeles County, California (the "County"), for value received, hereby promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon, calculated on a 30/360 day basis, until the Principal Amount is paid or provided for, at the Interest Rate stated above, such interest to be paid on March 1 and September 1 of each year, commencing September 1, 2005 (the "Interest Payment Dates"). This Bond will bear interest from the Interest Payment Date next preceding the date of authentication hereof, unless (a) it is authenticated as of a business day following the 15<sup>th</sup> day of the month immediately preceding any Interest Payment Date and on or before such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) it is authenticated on or before August 15, 2005, in which event it shall bear interest from the dated date. Principal, interest and redemption premium (if any) are payable in lawful money of the United States of America to the person in whose name this Bond is registered (the "Registered Owner") on the Bond registration books maintained by the Paying Agent, initially U.S. Bank National Association, at its corporate trust office in Los Angeles, California.

Principal hereof and any redemption premium hereon are payable upon presentation and surrender of this Bond at the principal corporate trust office of the Paying Agent. Interest hereon is payable by check mailed by the Paying Agent on each Interest Payment Date to the Registered Owner of this Bond by first-class mail at the address appearing on the Bond registration books at the close of business on the 15<sup>th</sup> day of the calendar month next preceding such Interest Payment Date (the "Record Date"); provided, however, that at the written request of the registered owner of Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Paying Agent prior to any Record Date, interest on such Bonds



shall be paid on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account of a financial institution within the United States of America as shall be specified in such written request.

This Bond is one of a series of \$\_\_\_\_\_ of Bonds issued for the purpose of raising money to refinance outstanding general obligation bond indebtedness of the District, issued under a resolution of the Board of Education of the District adopted on \_\_\_\_\_, 2005 (the "Bond Resolution"). This Bond and the issue of which this Bond is a part are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

The principal of and interest and redemption premium, if any, on this Bond does not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents and employees thereof, and neither the County, the State of California, any of its political subdivisions, nor any of the officers, agents and employees thereof shall be liable hereon. In no event shall the principal of and interest and redemption premium, if any, on this Bond be payable out of any funds or properties of the District other than ad valorem taxes levied upon all taxable property in the District.

The Bonds of this issue are issuable only as fully registered Bonds in the denominations of \$5,000 or any integral multiple thereof. This Bond is exchangeable and transferable for Bonds of other authorized denominations at the principal corporate trust office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. Any tax or governmental charges shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds maturing on or before August 1, 20\_\_, are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after August 1, 20\_\_, are subject to redemption prior to maturity as a whole, or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, at the option of the District, from any available source of funds, on August 1, 20\_\_, and on any Interest Payment Date thereafter, at a redemption price (expressed as a percentage of the principal amount of Bonds to be redeemed) as set forth in the following table, together with interest thereon to the date fixed for redemption.

| <u>Redemption Dates</u>              | <u>Redemption Price</u> |
|--------------------------------------|-------------------------|
| August 1, 20__, and February 1, 2009 |                         |
| August 1, 20__, and February 1, 2014 |                         |
| August 1, 20__, and thereafter       |                         |

The Paying Agent shall give notice of the redemption of the Bonds at the expense of the District. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP numbers of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the Bonds including the dated date, interest rate and

stated maturity date. Such notice shall further state that on the specified date there shall become due and payable upon each Bond to be redeemed, the portion of the principal amount of such Bond to be redeemed, together with interest accrued to said date, the redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

Notice of redemption shall be by registered or otherwise secured mail or delivery service, postage prepaid, to the registered owner of the Bonds, or if the original purchaser is a syndicate, to the managing member of such syndicate, to a municipal registered securities depository and to a national information service that disseminates securities redemption notices and, by first class mail, postage prepaid, to the District and the respective Owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least 30 days, but not more than 60 days, prior to the redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds.

Neither the District nor the Paying Agent will be required: (a) to issue or transfer any Bond during a period beginning with the opening of business on the 15<sup>th</sup> calendar day next preceding either any Interest Payment Date or any date of selection of any Bond to be redeemed and ending with the close of business on the Interest Payment Date or a day on which the applicable notice of redemption is given, or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Bonds are issued and secured. The owner of this Bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

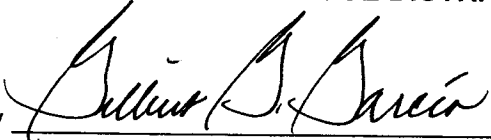
It is certified, recited and declared that all acts and conditions required by the Constitution and laws of the State of California to exist, to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting ad valorem property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

This Bond shall be not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution (described on the reverse hereof) until the Certificate of Authentication below has been manually signed by the Paying Agent.

IN WITNESS WHEREOF, the Rowland Unified School District has caused this Bond to be executed by the facsimile signature of the President of its Board of Education, and attested by the facsimile signature of the Clerk of its Board of Education, and has caused the seal of the District to be reproduced hereon, all as of the date stated above.

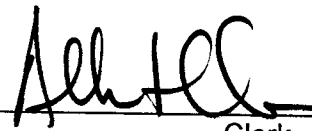
[S E A L]

**ROWLAND UNIFIED SCHOOL DISTRICT**

By   
\_\_\_\_\_  
President  
Board of Education

Attest:

(Seal)

  
\_\_\_\_\_  
Clerk  
Board of Education

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds described in the Bond Resolution referred to herein.

Date of Authentication:

**U.S. BANK NATIONAL ASSOCIATION**, as  
Paying Agent

By \_\_\_\_\_  
Authorized Signatory

## FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint \_\_\_\_\_,  
attorney, to transfer the same on the registration books of the Bond Registrar, with full power of  
substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
Note: Signature(s) must be guaranteed by  
a an eligible guarantor institution.

\_\_\_\_\_  
Note: The signature(s) on this Assignment must  
correspond with the name(s) as written on the face of the  
within Bond in every particular without alteration or  
enlargement or any change whatsoever.

### CLERK'S CERTIFICATE

I, ALBERT CHANG, Clerk of the Board of Education of the ROWLAND UNIFIED SCHOOL DISTRICT, hereby certify that the foregoing is a full, true, and correct copy of Resolution No. R:04-05:11IV.20 adopted at a regular meeting place thereof on the 5TH day of May, 2005, of which meeting all the members of said Board of Education had due notice and at which a majority thereof were present, and that at said meeting said resolution was adopted by the following vote:

|         |          |
|---------|----------|
| AYES:   | <u>5</u> |
| NOES:   | <u>0</u> |
| ABSENT: | <u>0</u> |

An agenda of said meeting was posted at least 72 hours before said meeting at ROWLAND HEIGHTS, California, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; that the foregoing resolution is a full, true and correct copy of the original resolution adopted at said board meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: May 5, 2005

  
\_\_\_\_\_  
Clerk of the Board of Education of the  
ROWLAND UNIFIED SCHOOL DISTRICT